

HE UNITED STATES PATENT AND TRADEMARK OFFICE

November 22, 2005

In re Application of

Frengut, Renee

Serial No.

09/883,590

Filed

June 18, 2001

For

10, 2001

INTERNET BASED QUALITATIVE RESEARCH METHOD AND SYSTEM

Examiner

:

Boyce, Andre

Group Art Unit

3623

Docket No.

1017.8002

#### **CERTIFICATE OF MAILING**

I hereby certify that this correspondence, and any attachments thereto, is being deposited with the United States Postal Service, as First Class mail, with sufficient postage, in an envelope addressed to: Mail Stop RCE, Commissioner for Patents, P. O. Box 1450, Alexandria, VA 22313-1450.

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Commissioner for Patents P.O. Box 1450

Alexandria, VA 22313-1450

#### **SUBMISSION OF DECLARATION UNDER RULE 132**

Dear Sir:

On November 3, 2005, Applicant filed a response to the Office Action dated June 3, 2005, indicating that a Declaration Under Rule 132 would be filed under separate cover, as further support for allowance of the claims. Applicant submits herewith its duly executed Declaration in support as to why Applicant's claimed invention is not obvious.

In re application of: Frengut Renee

Serial No.: 09/883,590

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Applicant respectfully requests that Applicant's Declaration Under Rule 132 be entered together with Applicant's Amendment filed November 3, 2005.

Any additional charges, including Extensions of Time, please bill our Deposit Account No. 503180.

Respectfully submitted,

Daniel S. Polley, Reg. No. 34,902

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#### **CUSTOMER NUMBER 44538**

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#### IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

November 11, 2005

In re Application of

Serial No.

Filed

For

Examiner

Frengut, Renee

09/883,590

June 18, 2001

INTERNET BASED QUALITATIVE RESEARCH METHOD AND SYSTEM

Boyce, Andre

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Paper

#### DECLARATION UNDER RULE 132

Commissioner For Patents P. O. Box 1450 Alexandria, VA 22313-1450

Dear Sir:

Frengut, the applicant in the above-identified patent application, declares as follows:

- 1. I am a Licensed Clinical Psychologist with more than twenty-five years of marketing experience.
- 2. Since 1984, I have been President of Market/Psychological Insights, Inc. a marketing research and consulting firm based in New York and Boca Raton, Florida, specializing in in-depth,

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motivational and perceptual qualitative research.

3. I am a member of and have been active in many industry organizations including the following: The American Marketing Association, The American Psychological Association, The Society for Consumer Psychology, and Qualitative Research Consultants Association.

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- 4. In approximately April 1999, I came up with idea of performing live market research over the Internet, with real time audio and video capabilities, and with the various respondents not required to be in the same room with, or even same geographical location as, the moderator of the market research. At the time of conception and until the launch of my company's services, my idea was completely unknown to and unheard of by the market research/focus group industry.
- 5. Prior to my invention, as claimed in my pending patent application, the respondents in a market research session would all travel to the same location and meet with a moderator and were typically conducted in several cities. The moderator would ask the respondents various questions about the moderator's client's product, services, marketing strategy, etc. Often the client's stimulus would also be shown to the respondents by the moderator. The nature of this traditional research inherently has numerous limitations including requiring the respondents to be in

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the same location with the moderator, requiring the client to also be in the same location to view the research session while ongoing, typically through a two-way mirror. This also creates disturbances to the research session when the client wants to pass a note to the moderator during the research session, as well as imposing limitations on the number of research sessions due to travel requirements and costs of travel, etc.

- 6. In April 1999 when I conceived of my claimed invention for conducting market research session through two-way audiovisual communications over the Internet, without any travel requirements on the respondents, moderator or client, it was my intention to eliminate all of the problems identified above with traditional market research.
- 7. As previously described in detail in my earlier filed Declaration for this application, which is incorporated by reference, after conceiving of my idea for a virtual video and audio qualitative internet research system and method, I had to overcome significant technological hurdles for quite some time before I was finally able to make my unique system work.
- 8. In 2000, I launch my invention through the starting of eQualitativeResearch.com, the first truly virtual video and audio qualitative internet research company. Once my invention was ready for implementation, my company would have focus (research)

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groups meet on-line, with the participants all possibly being in different geographical locations. The real time interviews with a moderator take place in the only "virtual research facility" and clients can observe in real time from their own desktops.

- 9. It would not have been obvious to a person having ordinary skill in the art of my invention to modify the cited Ludwig patent as suggested by the Examiner to arrive at my claimed invention. As mentioned above, and in my previous Declaration, significant time, resources and energy were required from me before I was able to finally create my working system, which is the subject matter of my current patent claims.
- 10. Recently, which is well after the launching of my company and filing of my patent application, other companies in the market research industry are now copying my technology by now offering live audiovisual market research services over the Internet.
- 11. These companies had previously utilized some type of video technology, which was dissimilar to my claimed invention. FocusVision (a market research support company) has been in business since 1990 utilizing an ISDN closed circuit video transmission using a Polycom system for the transmission of focus groups to one of their installations for remote viewing of a market research event. It, however, was not until June of 2005

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that it announced in advertising that it now has the major breakthrough capability to provide the exact model as my current claimed invention details. See Exhibit A to the Declaration.

- 12. FocusVision is a very large company in my industry with much more resources available to it as compared to myself and my company.
- 13. In its advertising, FocusVision touts itself (see enclosed advertising) as "the leader in video technology for the Market Research industry". If indeed the current invention was so obvious over the various patents cited by the Examiner, then the self-proclaimed industry leader with all of their available resources and who have been in existence prior to the issuance of the Ludwig patent and who were experiencing the same limitations of traditional market research, should have developed my claimed invention prior to my conception.
- 14. Another industry company also launched this exact model to my claimed invention in February, 2005, hailing it as the most revolutionary advancement in conducting market research. See Exhibit B to this Declaration.
- 15. The fact that these companies and others, with knowledge of my company and its services, only this year began to offer their same methodology and capability to the subject matter of my claimed invention, is evidence that my claimed invention is not

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obvious, but rather unobvious.

16. As further evidence that my claimed invention is not obvious I also rely on the many articles, awards and testimonials that the claimed invention has received from the market research industry and its practicing professionals as well as related technology awards and publications. These various items are attached hereto as Exhibits C-6.

17. Lastly, many in my industry actually taught away from the subject matter of my claimed invention. See First Paragraph of Exhibit D, "it is essential the marketing community not become too enthralled with using the Internet to conduct qualitative research... it clearly is not a viable substitute for well-run traditional focus groups."

The Declarant further states that the above statements were made with the knowledge that willful false statements and the like are punishable by fine and/or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that any such willful false statement may jeopardize the validity of this application or any patent resulting therefrom.

Date: Monember 18, 2005

Renee H. Fregnut

### FocusVision Has Added

# A Face and Voice

To Online Focus Groups.



# Introducing FocusVision InterVu

The world leader in video transmission of focus groups

Imagine the power of true two way interviewing where participants and moderator see and hear each other over the Internet from their home or office. Focus Vision makes online qualitative interviewing a reality - and casy to do:

- → Participants and moderator use a video camera mounted to their computer, enabling everyone to see each other during the interview
- → Clients view, unseen, from a virtual "back room" on their PC
- → Moderator can present stimuli, conduct polling, and receive chat messages from client
- → FocusVision organizes and reliably transmits the entire event, so you can focus on your
- Quality recruiting pool of webcam-enabled respondents is readily available through one of the largest, demographically diverse independent online panels.

Online qualitative research has finally arrived - and it's no surprise who again is leading the way: Focus Vision.

For a free demo and more information about FocusVision InterVu, call 203-961-1715 opt. email info@focusvision.com, or visit www.focusvision.com



Chicago + London + Los Angeles + Stamford

November 2004

# Research Business

MR business insights since 1995, from the publisher of RESEARCH CONFERENCE REPORT RESEARCH DEPARTMENT REPORT PHARMA MARKET RESEARCH REPORT (NEW!)

Report

www.rflonline.com

Technological, Methodological, Economic & Business Changes Impacting MR

## Qual Breakthrough--Online Focus Group--Earns 2004 "High Impact MR Project" Award

For at least a half-dozen years, the MR industry has heatedly discussed the pros and cons of what were called "online focus groups." Never mind that what comes to mind is an audio/visual representation of a traditional or videoconference focus group. What proponents and opponents of online focus groups have truly been debating was online chatrooms where the moderator and participants were unseen and communicated only in text through their keyboards. There was widespread dislike or

indifference to text-based "online focus groups." In truth, "online focus groups" were a figment of the industry's imagination.

eQualitativeResearch.com's (Boca Raton, FL) President Renee Frengut, Ph.D., has breathed life into a real online focus group, much as Geppetto's prayers for a son did for Pinocchio. Frengut, a 20-year advocate of traditional qual research tools, had a dream, assembled a team, dedicated her heart (and money) and whittled away at technology until it produced the first real, live, user-friendly online focus group capability. That achievement has earned her Research Business Report's 2004 High Impact Market Research Project Award. This honor, inaugurated in 2000, recognizes "research that leads by nudging or forcefully

pushing MR in more progressive directions."

eQualitativeResearch.com's technological breakthrough hasn't yet taken the market by storm, but its repercussions should be felt widely in coming months and years. Companies and organizations that have never done qual research of any kindand internal functions outside MR (i.e., competitive intelligence, strategic thinking)--could make the online focus group part of their knowledge arsenal. While potentially cannibalizing traditional focus groups, its simple, from-your-desk usability, low cost and global reach could dramatically boost the overall use of qual research online--not only focus groups, but IDIs, ethnography, etc. As the Internet and online panels have made "overnight surveying" a reality, imagine an "overnight online focus group" capability.

"When researchers see how different this is from chat-based

groups and how comparable it is to traditional focus groups, they are floored," Frengut stated. Her less-than-10-minute installation process involves setting up a webcam and microphoned-headset and downloading software. "It's so simple, respondents as old as 93 have not only managed it, but called it 'magic'," she said.

Astounding technology isn't the sole reason Frengut was selected for RBR's honor. Clients say eQualitativeResearch.com's

patented online setting is delivering unprecedented insights. "It's the first time our qualitative research has told us something we didn't already know," one MR Director in the Consumer Products Division of a large pharmaceutical company told RBR. That same person stressed Frengut's worth--as a psychologist and moderator--as a value-add to the process. "Her approach is highly creative, from the questions she asks, to the discussions she provokes, to the insights she extracts. She has provided many ah-ha's." The MR Manager at another major company agreed, "Renee has a unique way of probing the psyche of consumers to get beyond surface insights. eQualitativeResearch.com is like my little research secret," he stated.

He secreta Business

eQualitativeResearch.com President Dr. Renee Frengut

Actually, RBR revealed the "secret" in February, when the technology had yet to be launched. Since then, Frengut has attracted clients from a major CPG company, a major pharma company and a local museum, and has deals "in the works" with, among others, another large pharma company and online moderator David Van Nuys, Ph.D. of e-FocusGroups (Rohnert Park, CA), to whom Frengut would license her technology. "I'm pitching it to clients as a cost-comparative, enhanced alternative to text-based online groups," Van Nuys shared. "But I know it will have applications we have yet to even fathom."

Van Nuys isn't the only one who sees the potential of eQualitativeResearch.com. The company has been the target of unceasing aggressive attack by hackers, which may be potential competitors. "Every time we go live with a project, we monitor someone attempting to shut us down," Frengut revealed. "It

always comes from the same place. We know the ISP and city of origin, we just haven't caught them yet. But they have forced us to ensure every research session has Pentagon-level security."

Frengut, with CTO Jack Galvan, has applied for 11 patents in '04, most of which are add-ons to her existing application. One



allows two-way "note passing" between the client in the virtual backroom and the moderator; another streams live video stimuli, such as a movie trailer, into the focus group and displays it along-side participants' video pictures. The company also just completed its eQR Call Center. These audio-only message boards for in-depth interviews allow clients to listen in real time and pass notes to the interviewer, neither of which are

possible with traditional phone interviews.

One patent, ethnography, is an entirely different methodology, described by one user as "more naturalistic" than its traditional counterpart. "We send a camera to a participant's house, they function as their own camera person and narrator, then send the tape back," Frengut explained. "We upload it into our software, then conduct a live interview with the participant as we both watch the video. The interviewer can pause the tape and ask the respondent for more details. It alleviates the burden of entrusting ethnographers to capture everything the client wants, since traditionally clients aren't there to give live input. Plus it avoids the inevitable discomfort of having an unknown ethnographer invading the participant's home."

The consensus among eQualitativeResearch.com users is convenience and comfort top the list of benefits. From the comfort of home, respondents reveal insights they traditionally withhold. "The online focus group is the perfect setting for our advanced research on sensitive topics. Participants seem to forget the camera is on them," one customer reported. The setting also allows otherwise impossible research scenarios. "I did a study of very dedicated dog owners," Frengut recalled. "In the middle of the focus group, they started asking if I would like to see their dogs. Before you knew it, the dogs were on their laps. Try that in a central location!"

Clients themselves also relish the luxury of never leaving their home or office. Just one problem has emerged. At times, they can become almost too comfortable. "It never occurred to us," Frengut chuckled, "but one client complained our technology was so turnkey that his staff was being distracted by goings on in their office during the focus groups. He had to corral them all in the conference room and pretend it was a backroom."

The cost of Frengut's service is at price parity with traditional focus groups, minus one major "incidental": travel costs. Though the clients RBR spoke to didn't seem too concerned with traditional focus groups' high travel expenses, eQualitativeResearch.com estimates cost for a modest qual project averages \$30,000. And that doesn't include the "quality of life" savings of conducting research online: moderators, clients and participants save the exhaustion and travel time. "We can make multi-city and global research a much more tangible reality," Frengut added.

The technology is providing access to hard-to-reach respondents. One researcher at an international consumer products company raved, "No longer must I limit locations for a project. After years of research travel, it'll be a blessing to make fewer trips and actually increase the geographic scope of each project. This will be my first choice for interviewing respondents in far-flung locations and many kinds of professions." Indeed, eQualitativeResearch.com is fulfilling a research dream. "Like many other researchers, I knew there was the potential to move from text-based online focus groups to video-based," Van Nuys related. "But Renee was the one who had the gusto and the will to devote the enormous time, resources and effort to actually deliver it." RBR congratulates Renee Frengut and eQualitativeResearch.com on this 2004 award!

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February 2004

# Online Qual Breakthrough Replicates Offline Focus Groups

Tom Greenbaum, President of Groups Plus (Wilton, CT), in a February 2000 Advertising Age article spoke for the majority of researchers when he warned "it is essential the marketing community not become too enthralled with using the Internet to conduct qualitative research...it clearly is not a viable substitute for well-run traditional focus groups." But that was four years ago. Since then, online qual methods--particularly chat-based focus groups and bulletin boards (with certain provisos)--have made major technological strides, which have earned them notable industry acceptance. However, the Internet equivalent of traditional focus groups has remained elusive.

But all of that seems about to change. Dr. Renee Frengut's eQualitativeResearch (Boca Raton, FL) is on the cusp of launching the first fully-optimized virtual focus group capability, the killer application many in the MR community have dreamed about. The technology has been imperfect and the same might be said for the expertise behind available systems--until now. eQualitativeResearch.com could potentially revolutionize qualitative MR by opening the way for respondents, moderators and clients to participate in authenticated focus groups or IDIs without leaving their respective homes or offices.

Ironically, Frengut is the kind of traditional qualitative researcher one would expect not to be an online qualitative advocate. She has served blue chip brands and companies for over 20 years (including as a qualitative research problem-solver). "I believe qualitative research relies on interpersonal communication. I strongly believe you have to be able to see and hear the respondents," she told RBR, assertions that can easily be interpreted as

unsupportive of online qual. But a chance encounter with a webcam at an elderly couple's home in 1999 aroused her interest. "They had the webcam to see their grandkids all over the country. It so impressed me that I decided to investigate whether the technology could be applied to online focus groups."

She discovered the task would be complex and take time. "I thought the capability was a simple enough concept, but it turned out to be quite a challenging and expensive undertaking in practice. I really underestimated how complex it would be to develop this capability," she confessed. "The hardware is very costly and there's numerous software and original programming involved in getting it operational. But most online MR technologies that had been introduced had been designed by software engineers and technicians--not market researchers," she noted. Her mission continued, albeit frustratingly slowly.

All the while, she stuck to her deeply-held beliefs about qualitative

MR essentials. Those underpinnings and her background in clinical psychology shaped her hoped-for virtual focus group development. "I wanted eQualitativeResearch.com to address any possible requirement or issue that might arise from a researcher or client's perspective based on my own experiences and research expertise. In my mind, it had to replicate the traditional focus group model," Frengut stated.

She was well aware of the online bulletin boards and Internet chat groups that predominated within online qual. "Two friends of mine make a very nice living with bulletin boards," she told RBR,

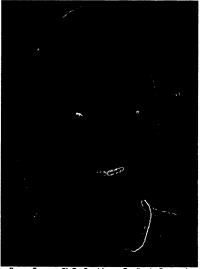
"although I see fewer and fewer chat focus groups." Frengut had issues with both. "I'm not sold on them because of the total anonymity of the participants, the typing skill prerequisite and the absence of the non-verbal communication dynamic."

Predicating her most discriminating standards with Procter & Gamble (a long-time client) as her yardstick, Frengut's mission took four years. "P&G is the gold standard. I knew if I could satisfy them, I was ready for a market introduction," Frengut reasoned. "Some of my P&G contacts have seen it and think it's a major step into the future."

The new system and its website launched in early January. It works on any Windows 2000 or newer

operating system. Respondents are pre-screened for high-speed Internet access (a system requirement) and eQualitative-Research.com supplies each with a webcamera and microphone headset (eliminating any echo effect from the computer's speakers), which are incentives for first-time participants. A small \$25 cash incentive is also customary, payable after the session. Equipped respondents earn \$50 for subsequent participations. "If we over-recruit, there is a client cost savings. In a facility, you pay someone the full amount for showing up. Online, we pay \$20 to those we don't include," Frengut disclosed.

Frengut takes up to two weeks to set up each project, "to get the equipment out and the group up and running." A proprietary software download that "almost installs itself" completes the average 30-minute installation process. The program is available in nine languages. The system is multi-point--meaning the moderator and all respondents log in simultaneously from disparate, remote



Renee Frengut, Ph.D., President, eQualitativeResearch

locations and converge in a "virtual focus room" online.

Frengut prefers offline and online focus groups with three to five respondents, but the online platform can accommodate as many as 20 windows on the screen. "We have white-boarding and file-sharing; you can browse the Internet, evaluate websites, show any kind of stimuli--movie trailers, product packaging, whatever," Frengut detailed. Anticipating the protests of naysayers, she added, "if respondents need to touch or physically interact with any stimulus, we simply send it to them in advance."

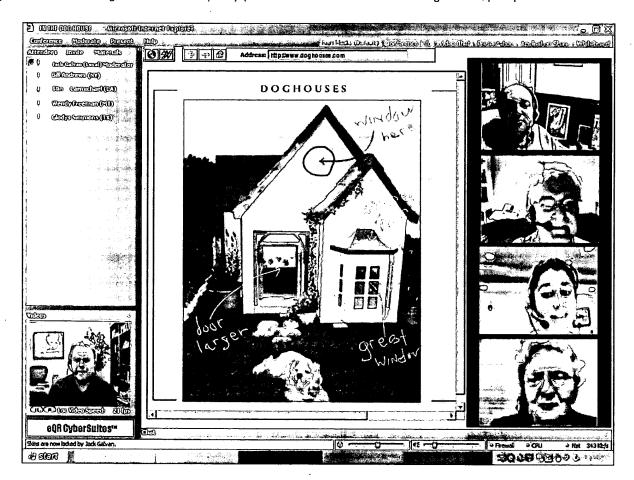
Providing clients access to research as it happens is a signature of traditional focus groups, so Frengut devised a "virtual backroom" where they can watch the proceedings in real time. Because most client IT networks are firewall protected, the virtual backroom is accessed by a link e-mailed to clients, which opens up a passive stream to the group. "If you can browse the Internet, you can view the group," she assured.

The strictest of offline focus group moderators dislike clients passing notes to them, but Frengut has built-in this capability (as a con-

room." Frengut's rebuttal: "An experienced, qualified moderator has no problem establishing authority using this system. If someone is offensive, you can drop them. If someone insists on talking over everyone else, you can mute them. To address a respondent privately, there's a personal chat window. You select from a drop-down list of participants and type a private note to an individual."

A common argument against bulletin boards and chat-based focus groups is participants' altered interaction versus in-person sessions. Frengut insists her system is "extremely intimate. The participants can see and hear one another clearly. They're not physically sitting with each other, but the experience is very close to being in the same room. Our system has sparked respondent discussions just as they would in the terrestrial world."

The system also allows the moderator to manipulate individual respondent's windows. "We can move them around. And we have different size windows, big ones and little ones. When someone talks, we can feature them in a larger screen," Frengut explained. As with videoconferencing research, perhaps the most attractive



cession to client demands and expectations) via a private chat window. She advises authorization of a single person to type everyone's questions, so the moderator isn't overwhelmed. A second private client-only chat window promotes discussions among the observers that the moderator doesn't see.

Detractors of online qualitative methods routinely point out the moderator's diminished authority and watered down control of "the

aspect of an eQualitativeResearch.com focus group is elimination of travel and its time, exhaustion and cost repercussions. "I've traveled for focus groups for over 20 years and gotten completely burned out by them," Frengut admits. Without taking the time and money saved on travel into account, she estimates an eQualitativeResearch focus group is at cost parity with traditional groups--and just as secure. The virtual meeting room comes

#### Online Focus Groups (Continued from page 7)

equipped with 128-bit encryption, bank-level security. "Stimuli pages are Web-based and non-downloadable, non-printable, unscrubable. As soon as we remove the link, it's gone. While it's up, respondents can't do anything outside of looking at it," Frengut stressed. An assigned technician monitors each group to assure optimal system performance. eQualitativeResearch boasts a staff of U.S. and Canadian-trained affiliated moderators.

The system's broadband requirement has the potential to raise sampling issues, but Frengut shrugs off such concerns. She makes no claims that eQualitativeResearch.com is everyman's research solution. She concedes that "the potential respondent population is skewed slightly upscale, but for qualitative research, it's often



desirable to have more articulate people participating. Statistically, this would be a concern, but this isn't statistical research.

"Broadband penetration was a gamble I took in building this system," she continued. "Instinctively, I knew there would be a non-reversible trend. Once you experience high-speed Internet, you don't accept dial-up. And broadband is getting more and more affordable and available, so every year the pool of potential respondents has and will continue

to get larger and larger. Penetration in the U.S. is now about 25% of people online. We have access to over 900,000 qualified names."

Frengut claims recruiting among broadband users is no more difficult than for other segments. "Depending on the study, I'll even use traditional recruiting firms," she disclosed. "The initial screening is done by e-mail, then we follow up with details." Recruiting can be done randomly online, from a client's database, a supplier's panel or via the eQualitativeResearch panel that is under construction.

Frengut has a "method of doing business" patent pending. Having shown her tool to selected MR suppliers and client-side MRDs, she has been surprised at some reactions. "I've owned a qualitative research firm since 1984 and before that I worked in qualitative for others. I'm shocked at how resistant to change, how risk averse this industry is. No one misses the advantages of this system. Its cost and time effectiveness and efficiencies are very compelling. You can build a group of respondents from all over the world, let alone the U.S. People have called it amazing, but in the same breath, they've said they'll continue to do things the way they always have--even in an inferior way--because of benchmarks," she said.

Undeterred, she is pushing the online qualitative MR envelope. Ethnography is hot and Frengut is molding eQualitative-Research.com to such tasks. (It would appear to have different dynamics than offline ethnography.) "We're sending moderately-priced, digital movie cameras to pre-recruited people, with instructions as to what to record around their home. Often, the camera is the incentive; they send us back a disk in a Fed Express mailer and we follow-up with an IDI online," Frengut detailed.

She is carefully picking her spots for eQualitative-Research.com's rollout. "A lot of people are waiting to hear from me. I tend to be overly perfectionistic," Frengut said, alluding to issues she wants to address. "For instance, one-on-ones are really easy to schedule. We do it in a person's home or office. But a lot of businesses have T1s as well as triple-level firewalls that are impossible to navigate," she revealed.

Broadband connection quality also can be a distraction. Respondents with poor broadband connections can suffer timelag communications. "We either ask for their response after everyone else or continue without them," Frengut detailed. Occasionally, solar flares, sun spots and increased radio wave activity can interfere with the Internet and, therefore, a project. "Still, that's no different from blackouts, flight delays or snow storms that play havoc with qualitative research schedules," she said. "At least with our system, you haven't traveled anywhere and won't have to when the rescheduled session takes place."

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# Pharma Market Research

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February 2004

The world's only pharma MR publication, from the publisher of RESEARCH BUSINESS REPORT RESEARCH CONFERENCE REPORT RESEARCH DEPARTMENT REPORT WWW.fflonline.com

# Report

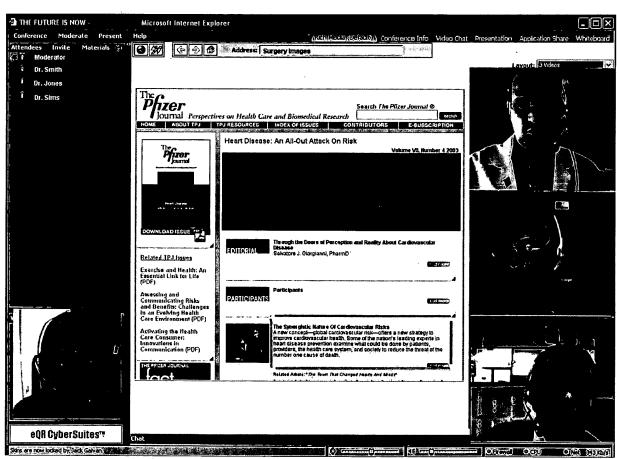
The world's news source for pharma, healthcare and life sciences MR

### Online Qual Breakthrough Scores Big With MDs

Online surveying had its critics from the start. For the most part, it won over the MR industry, but online qualitative efforts have been lambasted by some and generally discounted by everyone else. The reason: an inability to replicate the focus group in the online space. But now, pharma, healthcare and life sciences market researchers-

chance encounter with a webcam in 1999 inspired her to begin creating a Net-centric qualitative tool--the first-ever, fully-optimized virtual focus group capability--that today, after five years of development, is launching. It's poised to rock qualitative MR.

No one has been able to bring streaming virtual focus groups to



Physicians interacting with the new eQualitativeResearch's new online focus group capability.

and the physicians, healthcare professionals and administrators who will participate in focus groups or in-depth interviewing from the comfort and convenience of their office or home--have Dr. Renee Frengut's eQualitativeResearch (Boca Raton, FL) to thank.

Frengut, an independent qualitative researcher serving several of the world's top brands and companies for more than 20 years, admits she had never been a fan of online qualitative MR tools. But a life for varied reasons. "It's a simple enough concept, but quite a complex and expensive undertaking in practice," Frengut told PMR<sup>2</sup>. The system was designed with Frengut's long-time client Procter & Gamble in mind, whom she considers the industry's gold standard. "I figured if I could design something that addressed all of P&G's possible issues, met all of their quality standards and cleared any potential hurdles they could throw at me, I would have

something ready for the marketplace," she related. "Some of my contacts there have seen it and think it's a major step into the future," she added.

Frengut's system has all of the design features one might imag-

ine in a virtual focus group. It's multi-point, meaning respondents log in simultaneously from different locations and converge in a "virtual focus room" online via webcams. When PMR2 got a look at the system, the image on the monitor resembled the multi-splitscreen opening credits from The Brady Bunch--several screen-inscreen windows, each containing a



respondent's face, accompanied by an audio feed of their voice.

"I knew we had to replicate the traditional in-person qualitative model," Frengut stressed. "Our system accounts for the full range of non-verbal communication, including vocal intonation and facial expressions. It's an extremely intimate medium, with all of the benefits of a live focus group or individual interview, plus all of the efficiency and convenience of the Internet."

Frengut estimates eQualitativeResearch focus groups are at cost parity with traditional groups, but that doesn't take into account precious time and money saved by not having to travel. Clients watch the groups live from their desktops and can feed questions to the moderator through a private chat window. The virtual meeting room comes equipped with 128-bit encryption, bank-level security and an assigned technician who monitors each group to assure optimal system performance. eQualitativeResearch also boasts a staff of trained, affiliated moderators.

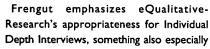
Respondents are pre-screened for high-speed Internet access (a system requirement). Webcams and microphone headsets are supplied to each participant by eQualitativeResearch (it's part of their incentive), along with a propriety software download that makes it all work. Respondents may be recruited at random, from a client's database, from a supplier's panel or from the eQualitativeResearch panel Frengut is building. She estimates it takes two weeks to set up a group from scratch.

For participants, comfort and convenience may be the key. Few segments of respondents are more sought after or difficult to recruit for MR than doctors. Frengut claims eQualitativeResearch is especially attractive for pharma and other health sciences MR. "It's ideal for talking with physicians and other time-pressed professionals," she asserted. "The office assistant can set it up very quickly and easily; it basically self-installs. To set up a session, we make an appointment. The doctor stays in his office and talks to his computer, which makes our system extremely compelling for a physician. They're so busy that a trip to a focus facility handicaps their likelihood of participating. We save them the minimum hour or more

spent getting to and from, not to speak of the inconvenience. Most doctors I've worked with would much prefer to keep their own schedule, stay in the office and receive \$250 than \$350 for driving to a facility."

Roughly 10% of Frengut's traditional clientele have come from pharma, and she's already put eQualitativeResearch to the test with

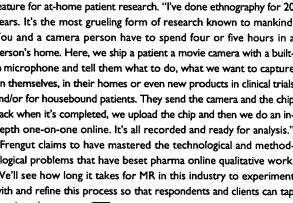
> doctors. "Several doctors that I've interviewed using this system--it was a study among neurologists--e-mailed me for days after the study about how much they enjoyed the experience. I heard, 'This was so terrific. I'd tell all my friends to do it.' and 'What a breakthrough!' and 'I had a lot of fun with this.' It's convenient and enjoyable, and that dramatically increases the likelihood that they'll participate again."

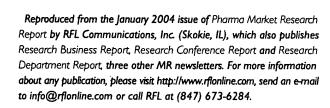


important for pharma MR, considering that doctors are more often polled in IDIs than in focus groups. "It's very tough to get a whole group of doctors together. With this capability, you can schedule and complete one IDI after another with doctors from all over the country just sitting at your computer for one day," she noted.

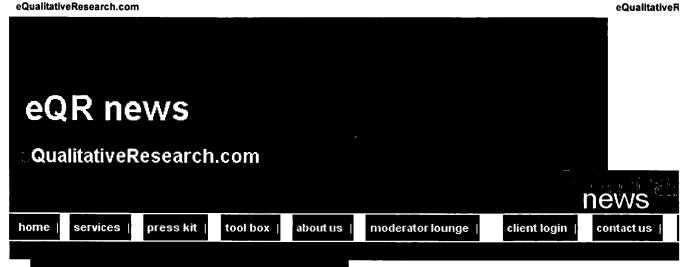
The system can also be tweaked for ethnographic work, a useful feature for at-home patient research. "I've done ethnography for 20 years. It's the most grueling form of research known to mankind. You and a camera person have to spend four or five hours in a person's home. Here, we ship a patient a movie camera with a builtin microphone and tell them what to do, what we want to capture on themselves, in their homes or even new products in clinical trials and/or for housebound patients. They send the camera and the chip back when it's completed, we upload the chip and then we do an indepth one-on-one online. It's all recorded and ready for analysis."

Frengut claims to have mastered the technological and methodological problems that have beset pharma online qualitative work. We'll see how long it takes for MR in this industry to experiment with and refine this process so that respondents and clients can tap into its advantages.









### company news



For Immediate Release - Woman of the Year Awards

Thursday May 20th, 2004

Boca Raton, Florida — The President and CEO of eQualitative Research Inc., Dr. Renee Frengut won the Woman of the Year Award presented by the Atlantic-Florida Chapter of Women in Communication (AWC) for the category of Communications Technology and the Internet.

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The Association for Women in Communications recently presented its Fourth Annual Woman of the Year Awards honoring women in seven communications categories.

#### The winners were:

- Lifetime Achievement Award: Pulitzer Prize Winning Miami Herald Journalist and Novelist Edna Buchanan.
- Television: Reporter Robin Kish of CBS4
- Fund Development and Special Events: Gail Meltzer of Fund Raising Advantage
- Advertising, Marketing Agencies/Consultants: Kathy Koch of Ambit Marketing

- Nonprofit Communications: Josie Bacallao of Hispanic Unity of Florida
- Communications Technology and the Internet: Renee H. Frengut of eQualitativeResearch.com
- Communications Education: Kathleen Anderson of Palm Beach Atlantic University
- Public Relations Agencies/Consultants: Barbara Goldberg of O¹Connell & Goldberg, Inc.

The awards recognize excellence within the disciplines of the communications industry for women working in Palm Beach, Broward and Miami-Dade counties.

All of the nominees demonstrate excellence and creativity in their field.

Entries were independently reviewed and judged by another Association for Women in Communications chapter.

Meredith Porte, producer of WLRN in Miami, was the emcee for the evening.

Sponsors were Maroone, Union Bank, GL Homes, Miami Herald, Sun-Sentinel, WLRN and Pierson Grant Public Relations.

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The Association for Women in Communications is a professional organization that champions the advancement of women across all communications disciplines by recognizing excellence, and promoting leadership and positioning its members at the forefront of the evolving communications arena.

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#### eQualitativeResearch.com TESTIMONIALS

"In most applications, the internet is still finding its way in the world of market research. The potential is surely there but few practitioners have tapped it. Count Renee Frengut as one of those pioneers. Where other organizations have achieved modest success in analoging on-line "traditional focus group methodology", her organization – eQualitativeResearch – transforms the experience. Yes, there are respondents; yes, there are moderators; yes, there are clients. But in many ways, clever software makes the cyberspace experience more adaptive, and yes, even more intimate, than the conventional "one-way mirror" bifurcated room. And best of all, you needn't travel the world to speak with the world; you needn't even leave home."

Dennis Q. Murphy Former - Vice President, World Wide Market Intelligence IBM

"This technology is especially useful for conducting interviews with respondents in far-flung locations. No longer do we need to choose a few locations for a specific project. We can get respondents from anywhere and form a focus group. The group aspect works well since they can both see and hear each other and the moderator. After years of research travel, it's a blessing to make fewer trips and actually increase the geographic scope of each project. I intend to keep using it and it will be my first choice for interviewing hard to find respondents and many kinds of professionals."

From a market researcher at a large consumer products company

"While I did not have the opportunity to participate in the qualitative, I was eager to hear the observations. I think that you provided us with excellent food for thought and provided strong guidance on how we can rethink our current position. We certainly got "new news" from this exploration. I appreciate your insights."

From a Market Research Director at a large Pharmaceutical Company - Consumer Products Division

"We have used ethnographic research (or research that allows trained psychologists to interact with consumers in the privacy of their homes) to successfully gather rich insights on consumer behavior, but the logistical constraints of sending expensive expert staff to target consumer's homes across the country sometimes discourages us from doing this valuable work. With eQualitative Research's technology and approach, we would be able to conduct this research with less hassle."

Executive Director, Corporate Communications at a leading pharmaceutical company

"What I found most beneficial about the technology was the ability to listen and learn from people all over the country, without having to travel all over the country."

Senior Research Manager Leading Advertising Agency

"Dr. Frengut's technology allows for all stakeholders to be a part of critical research and yet not leave the office. It is quite innovative."

From a senior Market Research Manager at a large Pharmaceutical Company – Consumer Products Division

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